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16 May 1973

MEMORANDUM FOR: Deputy Director for Intelligence

SUBJECT   : Organization of Political Intelligence
                  in CIA

1. CIA has four major functions in the field of
political intelligence production. These are not totally
distinct, but rather arbitrarily divided sections of a
spectrum.

   a. <u>Current reporting</u>. This runs from the alerting
   telephone call through situation reports and current
   periodicals to substantial background memoranda and
   short-range assessments.

   b. <u>Estimative writing</u>. This begins at relatively
   current assessments and runs through estimates proper
   to the policy-oriented Intelligence Brief.

   c. <u>Research</u>. This is here defined as deep, usually
   long-range, analysis by highly trained country special-
   ists. It is carried out in support of policy, and seeks
   primarily to develop an understanding of the decision-
   makers and the decision-making process in countries of
   major interest to the US. The results may occasionally
   be published as Briefs, but usually as Memoranda or
   Reports, and often may not be published at all.

   d. <u>Basic</u>. This can be defined as the description of
   the political processes and institutions of each country
   by the specialist for the non-specialist. Basic intel-
   ligence differs from the "research" product in being
   encyclopedic and factual rather than selective, specu-
   lative and deeply analytic. It is intended for the
   executor of policy rather than its maker.

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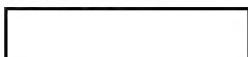
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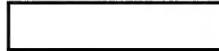
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2. The Agency is not well organized to perform these functions. Its resources are scattered among a number of components which, through chance or evolution, overlap. Some jobs are done well, some are over-done through duplication, and some are neglected. We suffer notably in research, which is given second place in OCI, misdirected in SRS, and ignored in ONE.

3. Analytic resources in the political field are divided among six organizations on the intelligence side of the house: ONE, OCI, OBGI, SRS, Propaganda Analysis
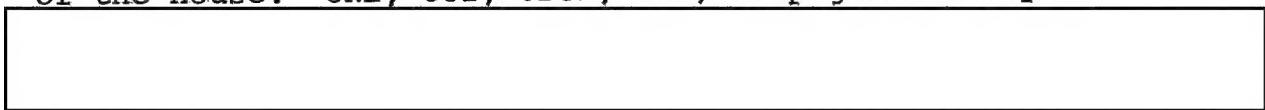
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a. The great majority of the ONE Staff are political analysts. They divide their time between drafting and coordinating estimates and writing estimative memoranda on current topics.

b. OCI's analysts, with a few exceptions, are political, although they have military and economic responsibilities on countries OSR and OER do not cover. Their primary mission is current reporting. They are also required to produce political chapters of the NIS and encouraged to produce more sophisticated research studies. The latter, unfortunately, compete with current production for the best analysts. OCI has always recognized that it stands or falls on its current performance, and has allocated its resources accordingly.

c. OBGI has a limited political analysis capability in its Country Profile Staff and among the better of its NIS editors.

d. The only organization fully devoted to political research is SRS. Its people are among the best in the Agency as country experts and as deep researchers. Its concept of political research, however, is badly distorted by its isolation from the intelligence mainstream. The emphasis is on historic reconstruction, with too little regard for its usefulness to the policy maker.

e. PAS carries out a specialized and limited analysis function in support both of broader analysis elsewhere
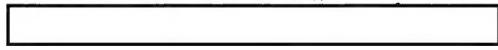
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4. The first four of these organizations overlap in function, and use many of the same materials. OCI and ONE do "current" work. OCI, ONE, and SRS do "estimative" work.
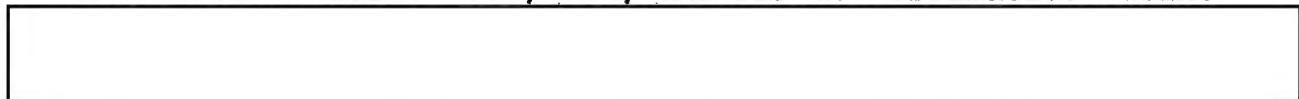
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5. These activities compete for professional personnel of roughly the same caliber and training. There are, however, two measures. One is competence: analytic capability, writing, experience, academic training. Most political analysis requires officers of first-class competence, but the most routine current reporting and NIS writing can be done with mediocre personnel. We have some. The second measure, however, is equally important, and that is temperament. There are common factors among the OCI and ONE analysts who are writing on current issues and policy-oriented problems which are not shared by the SRS and NIS analysts who work on longer range problems, usually on a project basis. The former at least are more or less interchangeable. There is a lesson here in how to organize the task more logically. There is also a warning that human resources are not infinitely malleable.

6. Any realignment must make a logical disposition of three functions.

a. The "country desk" problem. OCI since its establishment has been responsible for maintaining current coverage of everything foreign that was not covered by DDS&T, OSR or OER. This has meant that the OCI country analyst has been required to read all incoming traffic as it arrived, and to be able to answer any questions about his country or to know where to go for the answer. As OER and OSR have extended coverage, this responsibility has gradually shrunk to include non-political matters only in the less important countries. At the same time, budgetary and other pressures have reduced coverage of these less important countries elsewhere in the community until the only remaining across-the-board coverage is in OCI. It would now appear that community coverage will continue to shrink and that OSR and OER will concentrate more on

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the most important countries. Any rearrangement of political analysis must take this problem into account: either the residual across-the-board function must be formally abandoned, or the responsibility to cover "everything else", however thinly, must be specifically built into an organizational structure.

b. The "general responsibilities" problem. The highest form of political intelligence analysis is that which assesses the political, economic, and military factors which go into the making of a national decision. At the penultimate stage in the process, all these factors become political. For this reason, cross-disciplinary papers have usually been written in ONE or OCI.

c. NSC Liaison. This account has lately become extremely important. At present, it rests with OSR and OER for primarily military and economic matters, with SAVA for Indo-China, and with OCI for everything else--the "general" responsibility. Aside from the SAVA problem, these arrangements are quite satisfactory. It is important that they remain so in any realignment, and that the NSC account be located with the substantive elements directly supporting the NSC.

7. ONE is undergoing change, and the status of its Staff has not been decided. The present situation, with a large part of the Staff underemployed most of the time, is inefficient and duplicatory. Moreover, the DCI is talking of a "working Board", a concept that would change the function and lessen the usefulness of the Staff. He apparently sees most new NIE's as coordinated Intelligence Briefs, and the NIAM as a sort of coordinated Intelligence Report. It is difficult to see how this situation will evolve; this paper assumes the Staff will be at least sharply reduced and possibly eliminated in favor of an executive secretary arrangement.

8. Community production of basic intelligence is to be cut back sharply or eliminated entirely. In the first case, the remaining function should be concentrated in OBGI and other offices relieved of any responsibility. In the second, OBGI ceases to have a raison d'être and should be dissolved. The subsequent paragraphs assume that one of those two courses has been adopted.

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9. You have asked for proposals to reorganize political intelligence to:

--Maintain "desk" coverage across-the-board;

--Give greater priority to research relative to the current effort;

--Rationalize.

What follows is based primarily on a division of production by temperament. It assumes the end of basic production and the absorption of the ONE Staff. Three options are presented, varying in the relative weight of resources on current-estimative and research, on the location of country desks, and on the location of NSC support responsibility. All except Option III assume the functions of OER and OSR remain as they are.

10. Option I. OCI retains responsibility for country desks, for NSC liaison and for "general". It picks up some or all of ONE's political drafting responsibilities, and drops all research. A small Office of Political Research is formed, using OBGI's administrative core, SRS, the research elements of OCI, selected officers from ONE and OBGI, and a number of recruits from outside.

11. Option II. The country desk responsibility passes to OPR, OCI retains NSC liaison and "general", but passes much of its substantive expertise to OPR. OCI retains a number of selected substantive officers responsible for drafting general papers, for massaging and coordinating NSC-level drafts, and for producing current intelligence. All initial political drafting, except for a few general papers and other high-pressure projects, rests with OPR and OPR ultimately picks up country desk responsibility. OPR is obviously much larger.

12. Option III. All political analysis responsibility moves to OPR. OCI retains only an RAD-style political element (and perhaps in this and other options picks up RAD and CSS from OSR and OER). OPR takes over "general" responsibility and handles NSC liaison. OCI becomes essentially a current publishing house.

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13. The three options can be looked on as progressive steps. Option I can be adopted now with relatively little disruption. A small OPR, under vigorous management, could produce a substantial volume of high-quality research unhampered by the high priority of current work. And a small OPR is about all CIA could now staff--we simply do not have that many first-rate officers who are research-oriented. Meanwhile OCI would be free of the requirement to straddle two horses, and could concentrate on what it does best. It should be noted, however, that Option I creates a new competition between OCI and OPR to replace that among OCI, ONE, and SRS. Such a situation might be aggravated under Option II, because there would be some ambiguity of responsibility and ample room for personal conflict.

14. If it is decided to proceed beyond Option I, movement should be cautious. Taking up Option II abruptly would mean assigning the bulk of OCI personnel to a new organization with a different mission, one to which many of them are temperamentally unsuited. OCI would be decapitated, with the head told to continue business as usual, while the body was given a different head and a different mission. Such a move would prejudice both OPR and the residual OCI. Rather, it would be better to build up OPR gradually by recruiting research-oriented specialists, and draw down OCI gradually by attrition and out-placement. During this process it would become desirable to transfer more and more projects to OPR, and finally desk responsibility. In any case, this approach has the virtue of not committing the Agency to major changes in emphasis before it is ready to make them.

15. The later stages of Option II, and Option III in any form, require a decision to deemphasize current intelligence drastically in favor of research. Option III would transfer to OPR the dichotomy now so apparent in OCI, with the priority weighted the other way. It is quite possible, of course, that if OPR was sufficiently policy-oriented, these distinctions would tend to disappear. Thus an OPR parallel to OER and OSR (or whatever), with an OCI containing the current elements of each, might work.

16. With these considerations in mind, I recommend you adopt Option I, without prejudice to future moves to Option II and III. You should establish a ceiling for OPR

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somewhat higher than the personnel strength assigned, and
encourage its chief to go looking for high-quality personnel.
You should encourage a gradual thinning-out of OCI analyst
personnel, but not so abruptly that a modest intake of CT's
is ruled out. And you should continuously review the relative
demand for research and current product.
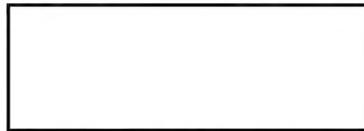
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